

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2001-450-C - ORDER NO. 2002-166

MARCH 6, 2002

IN RE:	Application of PBT Communications, Inc. for)	ORDER GRANTING
	an Amendment of its Certificate of Public)	EXPANDED
	Convenience and Necessity to Provide Local)	AUTHORITY
	Exchange Telecommunications Services.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of PBT Communications, Inc. (PBT or the Company) to amend its Certificate of Public Convenience and Necessity to permit it to provide local exchange and exchange access service to customers located in the Lexington, South Carolina exchange currently served by ALLTEL South Carolina, Inc. (ALLTEL). The Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2001) and applicable Rules and Regulations of the Commission. By Order No. 2000-011, issued in Docket No. 1999-396-C on January 5, 2000, this Commission issued a Certificate of Public Convenience and Necessity authorizing PBT to provide local exchange telecommunications service to customers located in those areas of South Carolina being served by BellSouth Telecommunications, Inc., GTE South, Inc. (now Verizon South, Inc.) and United Telephone Company of the Carolinas, Inc. This is the certificate that the Company seeks to amend. PBT proposes to provide the same service, under the same rates, terms, and conditions to customers located in the proposed expanded service area as it is currently providing to customers in its presently certificated service areas.

Pursuant to the Executive Director's instructions, the Company published a Notice of Filing, one time, in newspapers of general circulation that outlined the Company's proposal, and informed the public as to how they might participate in the processes of the Commission. The Company filed Affidavits of Publication with this Commission. No Protests were received, however, a Petition to Intervene was received from ALLTEL South Carolina, Inc.

Accordingly, a hearing was held before the Commission on February 27, 2002 at 2:30 PM in the offices of the Commission. The Honorable William Saunders, Chairman, presided. PBT was represented by Francis P. Mood, Esquire and Russell B. Shetterly, Esquire. PBT presented the testimony of L.B. Spearman. ALLTEL was represented by Burnet R. Maybank, III, Esquire. ALLTEL presented no witnesses. The Commission Staff was represented by F. David Butler, General Counsel. The Commission Staff presented no witnesses.

L. B. Spearman, regulatory consultant for PBT, presented testimony. Spearman recounted the regulatory history of the Company. PBT is an affiliate of PBT Telecom, Inc. and PBT Cable Services, Inc. PBT Telecom, Inc. presently serves a 650 square mile rural territory located in parts of Aiken, Calhoun, Edgefield, Lexington, Orangeburg, and Saluda Counties, and has been doing so since 1903. Another affiliate, PBT Cable Services, Inc. has been providing cable TV programming for nearly a decade to residents in rural Lexington and Saluda Counties.

Spearman requests an amendment of PBT's Certificate of Public Convenience and Necessity to permit it to provide local exchange and exchange access service to

customers located specifically in the Lexington South Carolina Exchange which is currently being served by ALLTEL. PBT is presently providing high-speed Internet Services to homes and businesses in the Lexington area. Three configurations are currently available to residential and business customers, varying from 384k to 1.5M downstream from the Internet, which aids users in downloading large graphics and files, according to Spearman. Second, PBT is acting as a transport medium for PBT Cable Services, Inc. in the delivery of three simultaneous digital videostreams to the homes in the Lexington area. Spearman noted that PBT is using VDSL technology to provide these services to the Lexington area. Also according to Spearman, VDSL takes DSL service to a higher plane with the introduction of video into the mix. At present, PBT is not making available voice-grade telephone services to customers presently being provided VDSL service in ALLTEL's service area. This is the authority that the Company presently seeks. According to Spearman, ALLTEL does not have the capability nor the network to support VDSL service.

Spearman testified that, if granted the expanded Certificate, customers residing in ALLTEL's Lexington exchange will have the choice of plain old telephone service (POTS), or they can have access to high-speed Internet, three streams of video and telephone service combined on one platform or any combination of the two or three services, including dialtone. PBT's plan is to provide a service offering giving customers a choice in getting advanced services from one provider. Spearman states that PBT has the technical and managerial resources to provide local exchange and exchange access telecommunications services within the State of South Carolina. At the present time, PBT

is providing identical services in the Batesburg-Leesville exchange, and has won customer approval. Spearman notes that PBT has a staff of highly skilled and trained engineers and technicians, with much experience.

In addition, Spearman testified that PBT has been providing telecommunications services in South Carolina since 1997 and has an outstanding record of financial stability. Further, PBT will adhere to the service standards that this Commission sees fit to place on it for the provision of local service and follow all applicable rules and regulations for the provision of local service to its customers, including support for universal service.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Commission finds that the request of PBT should be granted, and PBT's authority as stated in Order No. 2000-011 is hereby amended to grant it additional authority to provide local exchange and exchange access service to customers located in the Lexington exchange currently served by ALLTEL South Carolina, Inc. The Company will provide said service under the same rates, terms, and conditions under which it presently provides service in its present certificated territory.

2. The Commission finds that PBT has the "technical, financial, and managerial resources sufficient to provide the services requested." S.C. Code Ann. Section 58-9-280(B)(1)(Supp. 2001). The testimony of Mr. Spearman as to the Company's technical and managerial resources, and the balance sheet submitted with the Company's Application provide a basis for this conclusion with regard to the expanded authority sought.

3. The Commission finds that PBT will provide services which “will meet the service standards” of the Commission. S.C. Code Ann. Section 58-9-280(B)(2)(Supp. 2001). PBT witness Spearman testified specifically to this point.

4. The Commission finds that PBT’s “provision of service will not adversely impact the availability of affordable local exchange service.” S.C. Code Ann. Section 58-9-280(B)(3)(Supp. 2001). PBT states its desire to provide the services to the Lexington ALLTEL service territory under the same rates, terms, and conditions as it presently employs to serve its original certificated territory. Therefore, no adverse impact on the availability of affordable local exchange service should result.

5. The Commission finds that PBT will support “universally available telephone service at affordable rates.” S.C. Code Ann. Section 58-9-280(B)(4)(Supp. 2001). The testimony of PBT witness Spearman specifically supports this conclusion.

6. The Commission finds that the provision of local exchange service by PBT “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280(B)(5)(Supp. 2001). On the contrary, from the testimony at the hearing, we conclude that the provision of the proposed service positively impacts the public interest. PBT intends to employ VDSL technology in Lexington ALLTEL area, which is presently unavailable to the customers in that area. This technology may potentially provide internet, video, and/or voice services, all from a single twisted-pair connection to the switching office. This technology is available in some areas that might have otherwise gone unserved. Thus, the public interest is enhanced, not adversely impacted, pursuant to the evidence.

7. PBT's Application is granted as filed, since it has met the statutory criteria listed above. PBT shall also continue to follow all Commission directives found in Order No. 2000-011.


8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

William Buckley

Chairman

ATTEST:


Executive Director

Executive ~~Director~~

(SEAL)